

***Village of Indian Head Park
201 Acacia Drive
Indian Head Park, IL 60525***

**MEETING MINUTES
BOARD OF TRUSTEES**

“Pursuant to 5 ILCS 120/2.06 (3) minutes of public meetings shall include, but need not be limited to: a general description of all matters proposed, discussed, or decided, and a record of votes taken.”

**Thursday, August 12, 2010
7:30 P.M.**

★ CALL TO ORDER - MAYOR RICHARD ANDREWS

The regular scheduled meeting of the Village of Indian Head Park Board of Trustees was held on Thursday, August 12, 2010 at the Municipal Facility, 201 Acacia Drive, and was called to order at 7:30 p.m. by Mayor Richard Andrews. Village Clerk Joseph Consolo called the roll as follows:

★ ROLL CALL: JOSEPH CONSOLO, VILLAGE CLERK

PRESENT (AND CONSTITUTING A QUORUM):

Mayor Richard Andrews
Trustee Anne Bermier
Trustee Norman L. Schnauffer
Trustee Matthew P. Walsh II

ALSO PRESENT:

Frank Alonzo, Chief of Police/ Administration
Steve Busa, Treasurer
Joseph V. Consolo, Village Clerk
Richard Ramello, Counsel, Storino, Ramello & Durkin

NOT PRESENT:

Trustee Debbie Anselmo
Trustee Brian T. Bailey
Trustee Carol Coleman

★ PLEDGE OF ALLEGIANCE TO THE FLAG

Mayor Richard Andrews and the Board of Trustees led the audience in reciting the Pledge of Allegiance to the Flag. *“I Pledge Allegiance to the Flag of the United States of America and to the republic for which it stands, one nation under God indivisible with liberty and justice for all”.*

★ MAYOR'S REPORT

Mayor Andrews noted that Trustees, Anselmo, Bailey and Coleman are out of town on personal business. He added that a townhall meeting was held on Thursday, July 15, 2010 and there were approximately sixty-five (65) residents in attendance at the meeting. Mayor Andrews stated that positive feedback was received from residents including some verbal comments as well as written correspondence. The topics covered at the meeting included a review of Village finances and what needs to be accomplished in the future. Mayor Andrews stated that the Village received a copy of an article from a resident regarding an article that appeared in the July *Chicago Tribune* concerning a Villa Park spa business that has some illicit activities taking place at that business. He noted the Villa Park Village President was quoted in the article *"frustration was expressed that the Village of Villa Park cannot do more to stop businesses like the spray tan salon from moving into town. As a community without home rule powers, Villa Park has little authority to withhold an occupancy certificate required to open a shop"*. Mayor Andrews mentioned at the Village of Indian Head Park Townhall meeting that by having home rule powers the Village can react more quickly on various matters including public safety and health.

Mayor Andrews pointed out that a notice was received from Commonwealth Edison that they will not suspend service to customers who are behind on payments during the extreme heat conditions with seventeen days in excess of 90 degrees or more. Mayor Andrews noted that the Des Plaines Valley Mosquito Abatement District is continuing to spray areas to control the mosquito populations throughout the area including Indian Head Park in light of the heavy rains during the summer season. He noted some ponds, pools and birdbaths are breeding areas for mosquitos.

Mayor Andrews stated that the Village earlier this year looked into the possibility of placing red light cameras at the intersection of Joliet and Wolf Roads. He noted that an application was made to the State of Illinois who denied a permit to the Village of Indian Head Park due to the traffic analysis data that was conducted by Safe Speed at that location.

★ CONSENT AGENDA

Reappointment of Matthew P. Walsh to the E-911 Board for the term ending June 13, 2011
Reappointment of Carol Coleman to the E-911 Board for the term ending June 13, 2011
Reappointment of Joseph V. Consolo to the E-911 Board for the term ending June 13, 2011
Reappointment of Fire Chief Dan Hermes to the E-911 Board for the term ending June 13, 2011
Reappointment of Thomas Anselmo Fire/Police Commission for the term ending July 22, 2012
Reappointment of Dr. Martin Shobris as Health Officer for the term ending June 30, 2011

Trustee Walsh moved, seconded by Trustee Bermier, to approve the Consent Agenda, as presented. Carried by unanimous voice vote (3/0/3).

★ **APPROVAL OF FINANCIAL REPORTS - TREASURER STEVE BUSA**

Approval of Financial Report for the month ending June 30, 2010

Approval of Financial Report for the month ending July 31, 2010

Treasurer Busa presented the financial report for the months ending June 30, 2010 and July 31, 2010. For the month of June, he noted: (1) total revenues were \$168,435.18; (2) expenditures were \$320,869.53 and; (3) total fund balances in all accounts at the end of June were \$481,241.64. For the month of July, he noted: (1) total revenues were \$372,027.39; (2) expenditures were \$195,755.59 and; (3) total fund balances in all accounts at the end of July were \$527,926.98.

Trustee Schnaufer moved, seconded by Trustee Bermier, to approve the financial report for the months ending June 30, 2010 and July 31, 2010 as presented by Treasurer Busa. Carried by unanimous roll call vote (3/0/3).

Ayes: Trustees: Bermier, Schnaufer, Walsh

Nays: None

Absent: Anselmo, Bailey, Coleman

★ **APPROVAL OF BOARD MEETING MINUTES**

Minutes of the Regular Board Meeting of July 8, 2010

Minutes of the Special Board Meeting of July 15, 2010

After review of Board meeting minutes, Trustee Schnaufer moved, seconded by Trustee Bermier, to approve the July 8, 2010 regular Board meeting minutes, as presented. Carried by unanimous voice vote (3/0/3). Trustee Bermier moved, seconded by Trustee Walsh, to approve the special town hall board meeting minutes as presented. Carried by unanimous voice vote (3/0/3).

★ **AGENDA ITEMS (DISCUSSION AND POSSIBLE VOTE MAY TAKE PLACE REGARDING AGENDA ITEMS LISTED)**

1. Discussion and Vote Regarding a Resolution Providing for the Submission to the Electors of the Village of Indian Head Park, at the General Election to be Held on November 2, 2010, a Public Question Whether the Village Should Become a Home Rule Municipality. (Resolution #R8-10-1).

Mayor Andrews entertained questions from Indian Head residents in the audience regarding the proposed resolution before the Board this evening.

Jim Kourmadas, of Arrowhead Trail, asked if there has been an assessment of how home rule would impact the local businesses in the community. Mayor Andrews stated that a formal plan has not yet been formulated if the Village were granted to become a home rule municipality.

He added that the first step was to discuss the possibility of home rule in Indian Head Park and those discussions took place at the town hall meeting in July. Mayor Andrews stated as discussed at the town hall meeting home rule is the most prudent option to take so the Village has flexibility and authority to react to situations that impact the finances of the Village. He noted that there are some sources of revenues available only to a home rule municipality. Mayor Andrews stated that as it stands now with Indian Head Park not being a home rule community, the little bit that can be raised in revenue would not make a significant difference to the bottom line without a referendum and voter approval. He noted that there are sources of revenue available that cannot even be explored by Indian Head because the Village is not home rule.

Mayor Andrews pointed out the resolution presented to the Board this evening for consideration is just to place the question of home rule on the ballot in November for residents to consider. He added that he is in favor of home rule and plans to provide the community with more information about home rule before the November election and it will be the choice of the electors. Mayor Andrews stated that studies cost money. He added that LaGrange, LaGrange Park and Western Springs are studying the possibility of consolidating their police departments and the cost for the study was \$15,000. Mayor Andrews stated that the Village of Indian Head Park consolidated its dispatch services a few years ago and joined Southwest Central Dispatch to save costs.

Tim Kyzivat, of Stonehearth Lane, asked if the Village were to become home rule is there a specific charter that defines what the Village can or cannot do as a home rule municipality or is the Village locked into a specific set of regulations. Mayor Andrews stated that Village counsel provided a list of many options that a home rule municipality can do to increase sources of revenue that are not solely paid by Village residents such as a property tax. He noted that over the course of the next few months residents will be informed leading up to the November election with regard to home rule. Mr. Kyzivat asked if there are specific requirements for Indian Head Park to become home rule or if there is a certain plan that would be specific to Indian Head Park that would define what the Village can and cannot do as a home rule community. Counsel Ramello stated that Indian Head Park is currently a non-home rule community and as a non-home rule community, Indian Head Park can only exercise those powers that the Illinois General Assembly has authorized. He noted, for example, as a non-home rule community, the legislature has said that the Village can regulate certain businesses but legislation is either silent or specifically prohibits the Village from regulating other businesses. Counsel Ramello stated that in the Illinois Municipal Code there is specific granting authority from the legislature down to municipalities that allows them to regulate businesses such as businesses that sell liquor.

As a home rule community, a Village can exercise all the powers that the State of Illinois can exercise unless Springfield says that they are withholding that power through a Statute on the books. Counsel Ramello stated that there is State Statute that as a municipality income cannot be taxed so non-home rule and home rule communities cannot pass a local income tax because the State has reserved that for themselves.

Counsel Ramello stated that there are other forms of regulations and other forms of raising revenue that is open to municipalities if the State has not said a local municipality cannot do it. Counsel Ramello stated that as a home rule municipality a community can legislate in areas that Springfield has not passed a law on to allow Villages to establish rules to deal with local issues.

Jim Kourmadas, of Arrowhead Trail, asked what the mechanism is for oversight of municipalities that have implemented home rule to set local policies. Counsel Ramello stated voters elect the Village Board members so if those elected members are not responsive to the community, a member may not be re-elected. He added that if a home rule municipality set a local regulation that was determined by the citizens to be unconstitutional, those citizens could go to court if a community does not follow Illinois Statutes. Mayor Andrews stated that the Board is responsive to the community and all matters are discussed before any matters are voted upon. Mayor Andrews stated that non-home rule communities such as Indian Head Park cannot make rules unless the State has already passed legislation on it. He added there is a presumption called *Dillon's Rule* that if the State has not already passed a regulation and there is no legislation established either for or against some power a home rule community would have the same authority on the State level to establish a regulation, whereas, a non-home community could not.

Jim Grady, of Sioux Trail, asked if the charter that the Village would adopt for home rule will have some restrictions on borrowing power for the Village or limit on taxing ability as well as explanations of that authority. Mayor Andrews stated that the question on the ballot will be whether the Village should become a home rule municipality or not and not a referendum for home rule with restrictions. He added that a municipality is either home rule or non-home rule. Mayor Andrews mentioned that a resident stated at the town hall meeting that Lake Bluff or Lake Forest had home rule authority with the proviso that property taxes would not be raised above a certain level. He noted that community passed a local ordinance after becoming home rule limiting their right as a Board to raise property taxes above a certain level. Mayor Andrews stated that Village counsel researched that matter and the answer is either a community is home rule or non-home rule. Mayor Andrews stated that one example used at the town hall meeting is that there are occasions when grant money is available to a community with some type of shared cost for projects. He noted that Indian Head Park cannot complete a street project and receive a portion of funding from another source because there are budget deficits year to year and the Village cannot come up with the balance of the funds needed. This makes it difficult to get grants. Mayor Andrews stated that a half a million dollar road project with an 80/20 split would require the Village to come up with \$100,000 and possibly a grant would cover the other 80% of the project funding.

For example, he added that as a home rule municipality the Board could possibly borrow the \$100,000 from a bank with a low interest payment plan and raise enough revenue to make the payments every year for five years.

Mayor Andrews stated there is no plan to set a limit that the Village would never borrow over a certain amount or never raise revenue from other sources over a certain level. Mayor Andrews stated that residents will decide what they believe is the right thing to do for Indian Head Park at the November election regarding home rule and any input is always welcomed from residents. He noted at the town hall meeting charts were distributed at the town hall meeting about raising additional revenue through a property tax increase if home rule was not the option. He noted in order to increase revenue each year by about \$300,000 through property taxes, a home with a market value of about \$550,000 (before any senior or other exemptions) the property taxes would be about \$450.00 per year more. Chris Metz, of Arrowhead Court, asked if home rule were to be approved by the voters does the Village Board propose to raise the property taxes. Mayor Andrews stated that the Board has not formulated a specific plan yet to raise revenue and another town hall meeting will be held at the end of October to continue the discussions about how revenue can be raised and home rule. Mayor Andrews stated that if home rule passes, enough money can possibly be raised to pay for street projects that need to be done. Mayor Andrews stated that if home rule does not pass, the next viable alternative is to raise property taxes which would need to be a referendum question on the ballot in April next year. He noted a special service district area could also be created in a particular service area and residents in that area would pay higher taxes to get the streets done. Counsel Ramello stated that 51% of the electors and property owners within a special service area can petition to defeat the special service area. If it is defeated, that area is not taxed. If the special service area is approved those funds would be collected on the property tax bills.

Mayor Andrews asked if a property tax increase were placed on the ballot in April, 2011 and it passed, when would that increase appear on the tax bills. Counsel Ramello stated that if a property tax increase was approved in April, 2011 that tax would be paid by property owners in 2012. Mayor Andrews stated there is a current budget deficit of \$125,000 and if home rule does not pass in November, the first extra revenue dollars the Village would receive through property taxes would be in 2012. In the meantime the Village is running a deficit year to year and there are debt certificate payments that will increase in the years 2013 and 2014. Mayor Andrews noted that the Village is paying off a street bond this year from 1997 that has been paid on tax bills as a line item each year, so everyone's taxes will go down in 2012 by that amount when the bond is paid. Mayor Andrews stated that the Board does not have a lot of retail or commercial development, everyone who lives in the community likes it the way it is and part of living in Indian Head Park is paying for it. He added that home rule might allow the Village to seek revenue from other outside sources that do business in town or residents outside of Indian Head Park that shop at retail establishments.

Jan Kourmadas, of Arrowhead Trail, asked how residents outside of the community would be taxed who shop in Indian Head Park. Counsel Ramello stated that everyone who would shop at a retail establishment whether they are a resident or from outside the community would pay the same tax.

Mayor Andrews pointed out that many residents of Indian Head Park may shop at the Quarry Shopping Center or stores in Countryside and those retail taxes are helping those communities pay for revenue they need to run a Village. Mayor Andrews stated that if 20% of the residents from Indian Head Park are shopping at Walgreens and 80% are people from other areas, that 80% is helping Indian Head Park to raise revenue from people who might live outside the community.

Trustee Schnauffer stated that the State of Illinois tracks the total revenues collected from the businesses and the State calculates the Village's share of those taxes it returns to the Village. Mrs. Kourmados asked if there is a ratio of homeowners in Indian Head Park who are receiving senior or other homeowner exemptions because there are a lot of aging residents in the Village.

Mayor Andrews stated that there are certain requirements for someone to qualify for various exemptions and that data of the number of households receiving exemptions in Indian Head Park is not available. Counsel Ramello stated that he is not aware of a specific report that is generated specifically with that information listing the households in Indian Head Park that receive exemptions. Mrs. Kourmadas stated that the actual revenue to be raised by the Village cannot be determined if the ratio of property owners with tax freeze and exemptions is unknown. Mayor Andrews stated the tax levy is across the board for all homeowners and the rate the Village collects is based on a percentage of dollars by Equalized Assessed Valuation (EAV). He noted that when the County calculates what someone is paying on their EAV, the exemptions are factored in at that time. Mayor Andrews stated that if someone had an assessed valuation of \$50,000 but then has a \$4,000 homeowner exemption, the property tax would be paid on \$46,000. If there are no exemptions, a property owner would pay tax on the total assessed valuation. Mayor Andrews stated that there are several types of exemption programs that someone may meet the criteria for to participate in that program and possibly the assessor's office may be able to provide further information about Indian Head Park residents that may be participating in those programs.

Mr. Kourmadas stated that additional revenue may need to be raised to get to the revenue that is needed if there are many homeowners with exemptions. Mrs. Kourmadas stated that if a property tax increase is to be collected that could be underestimated if the number of exemptions are not known. Counsel Ramello stated that the Village submits to the county its tax levy which is a dollar amount then the county collector works with that dollar amount and total equalized assessed valuation to determine a tax rate. Counsel Ramello further stated that the Village does not levy a tax rate and then wonder what kind of property tax revenue would be generated from that rate. Mr. Kourmados stated that if there are 5,000 people in the Village and there are 4,999 residents that have exemptions, that one person without exemptions would be paying the entire bill.

Counsel Ramello stated that every house is not of equal valuation and if a property owner does not have an exemption the tax bill might be higher.

Mayor Andrews stated that the Village is looking at the tax rate ceiling versus the actual Indian Head Park tax rate. He noted that due to the tax cap in Cook County over the years, the Village is not able to even tax at the ceiling rate that the Village would otherwise be authorized to do because of the tax caps. Mayor Andrews pointed out at a minimum, even if the Village were to become home rule the Village can bypass the tax cap and go up to the level that would otherwise have been entitled to collect. Mayor Andrews stated that there are other options to try to raise revenue through sales taxes or overnight parking fees in the business districts. He noted that if the Village needs \$300,000 that can be paid either through collection of property taxes or possibly \$200,000 can be paid by property taxes and the other \$100,000 to come from a combination of other sources of revenue. Mayor Andrews stated at the end of the year if the Village has raised the \$300,000 through a combination of sources the impact is not solely on the property owners but that cannot be accomplished without home rule authority.

Mayor Andrews stated that property taxes have gone up over the last fifteen (15) years but that increase was not a result of Indian Head Park increasing taxes. He added that the Village has not had a property tax increase in at least fifteen (15) years and the Board has not asked for a property tax rate increase in the Village. Mayor Andrews stated that a road bond referendum in 1996 was approved specifically for streets in the Village and that small amount is shown on each property tax bill. That road bond will be paid off at the end of next year and the amount of the tax bill will be reduced by that amount. Mayor Andrews stated that in 2009 the 2001 and 2003 Debt Certificates were refinanced to a low interest rate which also allowed the Village to obtain some funds to repave the Municipal parking lot and also cap a well. The Village needs to be prepared for future expenses and if the voters were to approve a property tax increase in April of 2011, the money would not come in until 2012. That is a two-year lead time in a non-home rule community before those revenues would be received. Mayor Andrews stated that the Board's goal is to provide as much information to the voters before the November election. Mr. Kyzivat stated that some numbers need to be provided to the community before the next town hall meeting to give the residents an idea and some examples of sources of revenue that might be generated other than just revenue that might be generated by a property tax increase. Jim Grady stated that the Village receives approximately \$900,000 in property tax revenue and another \$400,000 from the State of Illinois with a total Village budget of about 2.3 million dollars to 3.5 million dollars. Mr. Grady stated that the Village is already getting about 2 million dollars from other sources and it would be helpful to know those sources of other revenues. Mayor Andrews stated that a second town hall meeting will be held later in the month of October and the regular Board meeting in October will be held the second Thursday of the month also. Mayor Andrews stated that all comments received this evening will be taken into consideration and answers to those questions will be provided.

Mayor Andrews stated that the options are to present a question on the November ballot for home rule authority and if that is not approved, then all the numbers and calculations will not matter. The alternative would then be to create a special service district to complete a project in a certain area or place a property tax referendum question on the April election.

He noted that non-home rule municipalities must wait for a General Election and those are not held every year. Mayor Andrews stated that in 2010 property owners are paying taxes from 2009 so even if a property tax increase were to be approved by the voters in 2011 the money would not be received until 2012. He pointed out that a home rule municipality is in a better position to go to a bank if money is needed to show a better financial stream of funds. Mr. Kyzivat stated that it is important how the home rule question is presented to the voters and how that option will help the Village to increase revenues from possibly a variety of other sources. Mayor Andrews stated at the end of the day, the Board will vote to approve what is best for the entire community. Mr. Kourmadas stated that in some communities small businesses have been driven out of communities and when there is an area in a community that does not have much business space residents end up paying for everything. He noted that creating taxes or fees to enhance revenue is a good idea. However, the Board needs to consider the impact of driving business out of the area. Mayor Andrews stated that he encourages business in town and those businesses generate sources of revenue to the Village from licensing fees and a share of sales tax on products.

Mayor Andrews read the following letter into the record from Trustee Debbie Anselmo: *"As a twenty year resident of Indian Head Park, I appreciate the benefits of small town living. We as a Village have always been able to manage our finances on a tight budget. The current economic conditions coupled with the economic crisis being experienced by the State of Illinois has made it increasingly difficult to balance our budget. The State is six months behind in payments to the Village in revenue sharing which we rely on at the State level will most likely be reduced. We have to remain diligent in our efforts to maintain the same standard of living and protect our residents and their property values. Home rule would give our Village the same benefit supported in surrounding towns that by virtue of their size are home rule communities. Legislation should be passed to provide solutions to specifically address local situations and enhance our revenues. I am in favor of placing a referendum on the November ballot to authorize Indian Head Park to become a home rule community."*

Mayor Andrews read the following letter from Trustee Brian Bailey: *"Mayor Andrews, unfortunately I am not able to attend the August regular meeting of the Indian Head Park Village Board due to a previously set family obligation. It is my understanding that the issue of what type of referendum to place on the ballot is going to be on the agenda for the meeting. Having lived through this Board's efforts to try to raise new revenues or cut spending, including putting on hold the important items and cutting the budget, I wanted you and the rest of the Board to understand where I stand on this issue. At present, I would support placing a question on the ballot asking the voters of Indian Head Park to make our Village a home rule community. I believe this is in the best interests of the citizens of Indian Head Park."*

Mayor Andrews read the following letter from Trustee Coleman: *"Dear Mayor Andrews, as you are aware, I am unable to attend the Village Board of Trustees meeting. However, I want to let you know that I am fully supportive of putting the home rule option on the November ballot."*

Indian Head Park is desperately in need of new revenue sources. If we become a home rule community, there would be ways available to us for increasing revenue without raising the Indian Head Park portion of real estate taxes. A non-home rule community hands are tied. Whenever we go into other communities to shop, see a movie or have our vehicles repaired we are helping that community with their revenue stream. Now it is time for others to help us. As you have stated, Indian Head Park is a bare bones operation. We have great employees who do a very good job with minimum resources. To keep Indian Head Park going I feel home rule is the best option.”

Mayor Andrews entertained a motion to approve the resolution regarding placing a question on the November ballot regarding home rule. Trustee Schnauffer moved, seconded by Trustee Walsh, to approve a resolution providing for the submission to the electors of the Village of Indian Head Park, at the General Election to be held on November 2, 2010, a public question whether the Village should become a home rule municipality. Carried by unanimous roll call vote (4/0/3). (**Resolution #R8-10-1**).

Ayes: Trustees: Bermier, Schnauffer, Walsh and Mayor Andrews

Nays: None

Absent: Anselmo, Bailey, Coleman

Mayor Andrews noted that Village Counsel will file the approved resolution with Cook County.

★ QUESTIONS AND/OR COMMENTS FROM THE AUDIENCE BY INDIAN HEAD PARK RESIDENTS ONLY

Vern Kramer, of Ashbrook, asked that the Board prepare some financial projections to inform the residents of the community in more detail about home rule before the next town hall meeting. Mayor Andrews stated that possibly a list could be generated to determine possibly how much revenue could be obtained from various new sources.

Eileen Henkel, of Algonquin, stated that some residents are not aware of what home rule means and some information is being provided at homeowner association meetings. Mayor Andrews stated that he would make himself available to meet with associations if invited to talk about home rule and information is also provided in *Smoke Signals*. Trustee Bermier suggested that possibly fliers could be inserted in the newsletter with a caption home rule at the top with further details.

Mayor Andrews stated that the Board cannot spend Village money to advocate to the residents by using postage and paper or employee time to advocate that position. However, educational information can be provided. Mayor Andrews stated that the Administration Message in the next *Smoke Signals* will include more information about home rule and there will be another issue of *Smoke Signals* after that announcing the next town hall meeting.

Mr. Kourmadas stated that he understands budget deficits cannot continue forever and most residents will understand the need to find revenue sources and they may have confidence in what the Board is trying to do. He stated that possibly the next invitation to residents for a town hall meeting could be presented as come to a meeting to discuss balancing the budget to return to fiscal responsibility.

Mayor Andrews stated that we are all in this together and the discussions will continue with regard to home rule and he appreciates all of the suggestions. Jim Grady stated at the previous meeting he was critical of how the Village shared its financial information with the Village. He added that it would go a long way with residents to identify some sources of how revenue could be raised and why there is a budget deficit. Mayor Andrews thanked Mr. Grady for his comments. Mayor Andrews noted that Channel 6, the community access cable channel, has been down because a new computer is needed and information is also posted on the Village's Website, including the *Smoke Signals* and Village Board minutes where he has written extensively about Village finances..

★ ADJOURNMENT

There being no further business to discuss, Trustee Schnaufer moved, seconded by Trustee Walsh, to adjourn the regular Board meeting at 9:00 p.m. Carried by unanimous voice vote (3/0/3).

Respectfully Submitted,
Kathy Leach, Deputy Clerk/Recording Secretary